

The 48-Hour Board

How AI Makes Episodic Governance Obsolete and the Engaged Board Possible

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Executive Summary

AI makes the episodic board fail and makes the engaged board possible, at the same time. That twin fact is the subject of this paper. Boards have modernized what they oversee. They haven't modernized how they operate. The dominant board model, part-time directors engaging episodically through six to eight meetings a year, was designed for a world in which strategy moved annually and information moved through management. AI breaks both assumptions. This paper makes a twin argument. First, the episodic board now fails structurally: when technology, competition, and risk compound weekly, oversight delivered in roughly 48 hours a year produces governance by snapshot, with directors reviewing a company that no longer exists by the time they reconvene. Second, and less noticed, AI removes the constraint that kept the engaged board an aspiration for fifty years: the time and information cost of being thickly informed as a part-time outsider has collapsed. Drawing on governance research, the private equity evidence, and my work with boards, this paper sets out an operating model: redesigned cadence, rebuilt information architecture, and deeper director engagement. STAR is the review discipline; the engaged board is the operating system that makes STAR executable. Boards that make this shift convert governance from a compliance cost into a competitive advantage. AI does not diminish the human director. It demands more of them, and finally gives them the tools to deliver.

Disclosure: The author used multiple generative AI tools to support research, verification, and drafting. All judgments, claims, and errors are the author's own.

1. The Cadence Gap

Start with arithmetic. A typical large-company board meets seven or eight times a year; in 2025, S&P 500 boards averaged 7.1 meetings, according to the Spencer Stuart Board Index. Those plenary sessions, the hours the board sits as a body and actually decides, total something like 48 hours a year. Directors prepare alone and sit on committees well beyond that, but the board governs only when it convenes as a body, when it approves, decides, and is recorded. Forty-eight hours is the rate at which collective oversight samples the company. That number was defensible when the strategic environment turned over in years. It's hard to defend now. Between any two scheduled meetings of your board, frontier AI labs will ship new models, your competitors will deploy capabilities that did not exist at your last meeting, and autonomous agents inside your own company will have taken thousands of actions no human individually reviewed. The board calendar is annual. The company is now weekly.

The deployment data makes the mismatch concrete. By late 2025, nearly nine in ten organizations reported using AI in at least one business function.¹ Yet two-thirds of directors described their boards as having limited or no knowledge or experience with AI, and nearly one in three said AI did not appear on their board agendas at all.² Only about 15 percent of boards received AI-related metrics from management.³ Oversight expectations, meanwhile, are rising fast: among Fortune 100 companies, the share disclosing AI as a board oversight responsibility tripled in a single year, from 16 percent to 48 percent, while only 12 percent disclosed that directors received any AI education.⁴ The specific numbers move every quarter. The shape doesn't: adoption near-universal, board capability far behind it.

In an earlier paper with co-authors from IESE and Egon Zehnder, I argued that boards should govern AI as power steering, not a brake, and we offered the STAR framework, Shareholder Value Thesis, Threat Parity, Ability, Risk Budget, as a quarterly review discipline organized around five enduring board responsibilities. A note on lanes and scope: frameworks such as NIST's AI Risk Management Framework, ISO 42001, and Singapore's Model AI Governance Framework govern the company's AI systems; this paper, like its predecessor, governs the board's own operation. It is written for the unitary board, the single-tier model standard in the US, UK, and much of the world, but the cadence problem respects no jurisdiction: it binds a Delaware board, a European supervisory board, and an Asian issuer alike. In Europe the AI Act's literacy obligations create regulatory pressure toward board-level competence, and in two-tier systems the remedies below must be mapped onto the statutory line between supervisory and management boards rather than across it. In those systems the engaged-board model is not an invitation for the supervisory board to manage; it is a way to make supervision current enough to matter. Ownership structure shapes how these remedies land more than geography does. In the controlled and family-owned companies common across Asia and continental Europe, the controlling shareholder often already holds the current, granular information this paper says AI now extends to everyone else; there the cadence gap binds hardest on the independent directors charged with protecting minority shareholders, who have had the least access and stand to gain the most. The affordability half of the argument is jurisdiction-neutral, since collapsing the cost of being thickly informed helps a Singaporean or German independent director as much as a Delaware one. The liability half is sharpest in the United States, though the broader direction, from the EU AI Act to rising board-capability expectations in governance codes across Asia and Europe, converges on the same demand.⁵ That paper told boards what to govern. This paper answers the harder question that kept surfacing in boardrooms afterward: *can a board built for the quarterly calendar actually do this work?* My answer is no, not as currently constructed, and the fix is within reach. The argument runs in two steps. AI makes the episodic board untenable. AI also, for the first time, makes the engaged board affordable. Boards that act on both halves will turn governance into a source of competitive advantage. Boards that act on neither will discover that their oversight was a snapshot of a company that had already moved.

My perspective draws on the governance research record, the regulatory trajectory, interviews and sessions with directors and senior executives across the US, Europe, and Asia, and advisory work with boards adopting AI oversight structures. Where the evidence is contested, I say so directly.

2. The Board That Time Forgot

The modern board has been redesigned twice, and both redesigns changed who sits at the table rather than how the table works. The first board model, call it Board 1.0, was the advisory board of the mid-twentieth century: directors as counselors to management, famously described by Myles Mace as "ornaments on a corporate Christmas tree."⁶ The second, Board 2.0, emerged from Melvin Eisenberg's 1976 case for the monitoring board: part-time independent directors charged with watching management on shareholders' behalf.⁷ Sarbanes-Oxley and exchange listing rules hardened that model into law. It is the

standard model at nearly every large company today: majority independent, committee-structured, meeting a handful of times a year, fed by a board pack management assemblies. If you sit on a board, this is almost certainly the one. If you run a company, it is the one you answer to.

Serious people have been arguing for decades that this model under-delivers. Ram Charan urged boards to move "from compliance to competitive advantage" in 2005 and, with Dennis Carey and Michael Useem, to lead rather than merely monitor in 2014.⁸ Jeffrey Sonnenfeld showed that great boards are distinguished by how they work as human systems, not by their structural checklists.⁹ David Larcker and Brian Tayan's Stanford research program has spent two decades documenting the gap between governance form and governance substance, including how little boards actually know about the companies they oversee.¹⁰ McKinsey ran a global survey program toward the "value-creating board."¹¹ Morten Huse built an entire academic research program under that same banner.¹² The most precise diagnosis came from Ronald Gilson and Jeffrey Gordon, who in 2019 proposed "Board 3.0": importing the private equity portfolio-company model, where directors are "thickly informed, well-resourced, and highly motivated," to replace public-company directors they described as "thinly informed, under-resourced, and boundedly motivated."¹³

So the destination has been mapped for twenty years. Almost nobody has arrived. The engaged, value-creating board remained what it has always been: a conference theme. The interesting question is not whether the episodic board is inadequate. Charan said that when smartphones were new. The interesting question is why nothing changed, and what is different now.

The Calendar Board. You chair the audit committee of a mid-cap logistics company. At the February meeting, management presented a measured plan: two AI pilots in routing and customer service, a governance policy, a vendor framework. The board approved it and moved to the CFO transition. At the June meeting, you learn what happened in between. The customer service pilot quietly became a full deployment after the vendor shipped an agentic upgrade that resolves claims end to end. A regional team adopted an unsanctioned coding assistant that now touches production systems. A competitor launched dynamic AI pricing, and your commercial team responded in kind within three weeks, with pricing logic nobody can fully explain. None of this was hidden from you. It simply happened between meetings, at a speed your oversight cycle was never designed to see. What, exactly, did your February approval govern?

What the director approved was already a filtered artifact. As Douglas Chia, founder of the advisory firm Soundboard Governance and a former corporate secretary of Johnson & Johnson, puts it: "Corporate secretaries see how board materials are created. The process has a natural filtering, massaging, and smoothing effect. Directors will never see what didn't make it into the final versions, but AI tools may help them identify the soft spots to pressure-test, in a way they were previously not able to do on their own."

Every element of that composite comes from situations I have encountered in this work. The Calendar Board is not failing through negligence or ignorance. Its members are diligent. Its packs are thorough. It's failing through architecture: the operating model samples a continuous process at discrete intervals, and the process now moves faster than the sampling rate. Engineers have a name for what happens when you sample below the rate of change. You don't see a slower version of reality. You see a distorted one.

FIGURE 1

The Cadence Gap

Board attention samples a company that now changes every week.

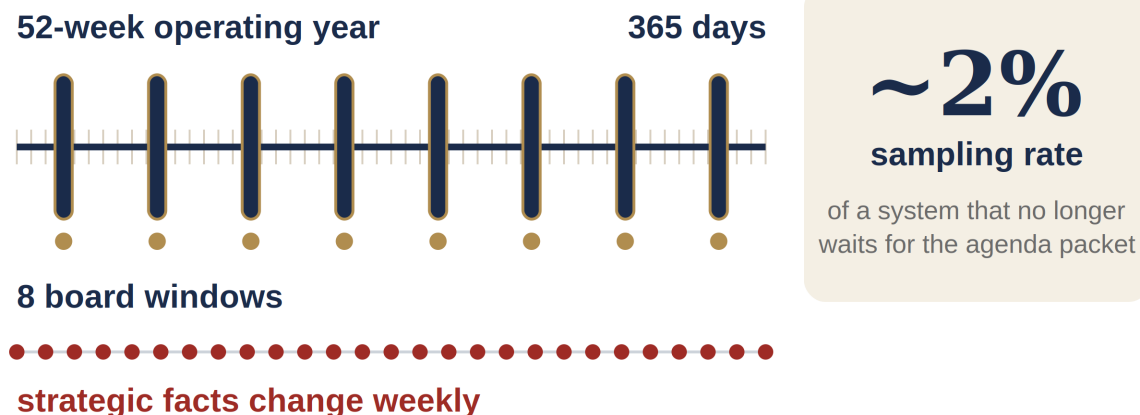


Figure 1: The Cadence Gap. The company operates continuously; board attention arrives in discrete slices, roughly two percent of a working year, sampling a system that now changes weekly.

3. Why the Engaged Board Never Happened

If the engaged board has been prescribed since 2005, diagnosed precisely since 2019, and endorsed by nearly every governance survey since, why doesn't it exist? Because three constraints made it economically irrational for the people involved. Gilson and Gordon named them: directors are thinly informed, under-resourced, and boundedly motivated. Each deserves a moment, because the rest of this paper turns on what just happened to them.

Time. A public-company director is a part-time professional, often holding multiple seats alongside an executive role or a portfolio career. Genuine engagement of the private equity kind, reading the operating data, talking to customers and engineers, pressure-testing strategy between meetings, is a quarter-time-to-half-time commitment per company. The PE model pays for that intensity through concentrated equity economics. Public-company director fees don't, and stacking that intensity across four boards is physically impossible. Asking Board 2.0 directors to behave like Board 3.0 directors was asking them to donate hundreds of hours a year.

Information. Directors see the company through a periscope management builds: the board pack, assembled weeks in advance, summarized, ordered, and framed by the team being overseen. This isn't a conspiracy. It's logistics. A director who wanted independent, current, granular knowledge of the business had no practical way to get it short of hiring staff, which boards almost never do. The information asymmetry between management and board was not a flaw in the monitoring model. It was the model's load-bearing wall, and everyone learned to live inside it.

Motivation. Boundedly motivated is the polite term. Director compensation is largely insensitive to the marginal hour of effort; reputational risk attaches to visible failure, not to quiet value leakage; and the social system of the boardroom, as Sonnenfeld documented, rewards collegiality. A rational director

under these incentives prepares well, attends faithfully, asks good questions, and goes home. The system gets exactly the engagement it pays for.

Notice what kind of constraints these are. They are not constraints of will or talent: the failure is structural, not personal. The directors are capable; the operating model they inherited is not. They are information and time costs. Twenty years of exhortation failed because exhortation doesn't change costs. Technology does.

4. What AI Changes: Mandatory and Possible

Here's the argument of this paper in one sentence: AI is simultaneously the stress test the episodic board fails and the technology that finally makes the engaged board affordable. The two halves arrive together, and that coincidence is the whole opportunity. Take them in turn.

4.1 The Episodic Board Is Now Untenable

Three forces have turned a known weakness into a structural failure.

The half-life of strategy collapsed. The strategic facts a board approves, competitive position, cost structure, the risk register itself, now change materially between meetings. This isn't technology enthusiasm; it's the lived experience of the executives I work with. When a quarterly approval governs a weekly reality, the board isn't overseeing the company. It's overseeing a memory of the company.

Management has already said so, in writing, in the wave of AI-first memos chief executives sent their companies through 2025, each one rewriting hiring, staffing, and operating rules the day it went out. Shopify's Tobi Lütke told employees that before asking for headcount, teams must demonstrate why AI can't do the work, and embedded reflexive AI use in performance reviews.¹⁴ Duolingo declared itself AI-first and tied headcount to automation; Klarna reported AI already doing the work of hundreds of service agents; others followed until not having a memo looked like not having a strategy. Each memo was a unilateral redesign of the operating model, announced by the CEO and executed between board meetings. Duolingo's CEO published his memo, absorbed a public backlash, and walked back key elements within weeks, a strategy declaration and reversal completed inside a single board interval. The backlash was a foreseeable workforce and customer risk, which is to say a governance catch an engaged board exists to make before publication, not after.¹⁵ Klarna ran a similar arc, later hiring humans back for the work that still needed them. The companies have declared the AI-first operating model. No board has declared the AI-first boardroom. The memo wave has been analyzed for its workforce, communications, and strategy lessons; it has not, until now, been read as evidence about the board's own operating model. Management now changes the company at the speed of a memo. Its overseers still respond at the speed of a calendar.

FIGURE 2

Memo Speed vs. Calendar Speed

A declaration, backlash, and walk-back can all happen between two board meetings.

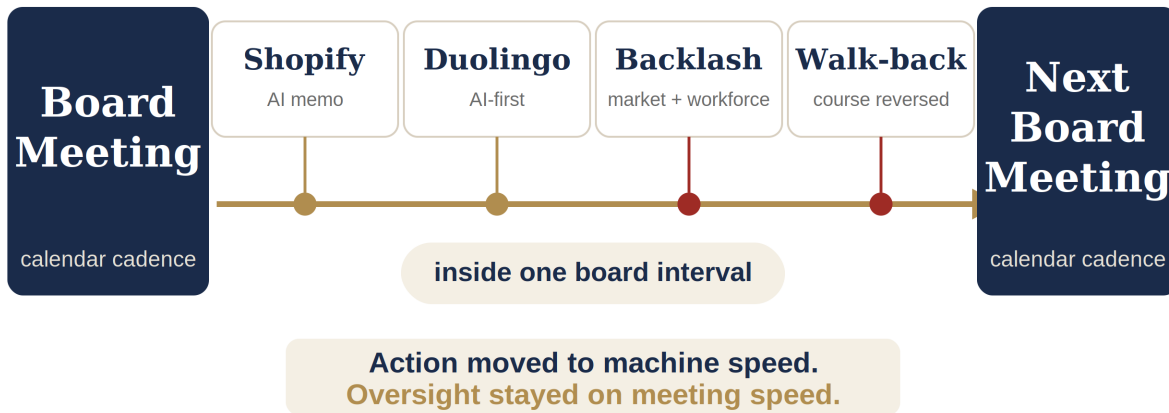


Figure 2: Memo Speed vs Calendar Speed. The 2025 AI-first declarations, the backlash, and the walk-back at Duolingo all fit inside a single board interval.

Action moved to machine speed. Agentic AI, software that takes actions on its own, means consequential decisions, pricing moves, credit approvals, procurement commitments, customer communications, are executed continuously without a human in the loop at each step. The earlier paper flagged the AI-to-AI frontier as something boards should prepare for. It's no longer a frontier. Oversight structures built for human delegation chains, where each link is a person who can be asked to explain a decision, don't map onto systems that act thousands of times between board meetings. A board cannot review agentic actions retrospectively at quarterly intervals and call the result oversight; a governance decision that arrives after execution is not governance at all, it is audit.¹⁶ The only oversight that survives machine speed is exercised upstream: authority envelopes, escalation triggers, and risk budgets set before action occurs. The control has to live in the architecture the board approves, and the board has to verify that architecture far more frequently than its calendar currently allows. That is what the operating model in Section 5 exists to maintain.

The legal floor is rising. Delaware's Caremark line, the case law that decides when directors are personally liable for oversight failures, sharpened by Marchand, requires boards to maintain working information and reporting systems for mission-critical risks, and to respond to red flags those systems surface.¹⁷ Legal commentators are now applying that doctrine directly to AI oversight. As Leo Strine, the former Chief Justice of Delaware, has written, "If AI causes compensable harm to a victim, ignorance by the corporation as to how the AI works should be the exact opposite of a defense." Directors are obliged to grasp how their company actually uses AI to make money, and the engaged board is how they meet that standard before a court asks them to. No Delaware court has yet tested episodic oversight of a continuous AI system, and the question a plaintiff's lawyer will ask when one does is uncomfortable for the episodic model: if AI was mission-critical and acting continuously, why was the board's information system quarterly? The duty itself is no Delaware peculiarity. It recurs in the UK Companies Act duty of care, the supervisory obligations of European two-tier boards, and the comply-or-explain expectations of governance codes from Singapore to Japan; the mechanism of enforcement differs, but the expectation

converges. The EU AI Act has required AI literacy from providers and deployers since February 2025, with its broader enforcement architecture continuing to phase in, and proxy advisors, the firms that guide how institutional investors vote, have begun grading AI oversight: Glass Lewis updated its voting guidelines to address board AI oversight, and ISS now publishes data showing how thin board-level AI competence is, finding in early 2026 that only 16 percent of more than 3,000 reviewed companies disclosed even one director with specialized AI skills.¹⁸ The direction of travel is unmistakable: episodic attention to a continuous, mission-critical system is becoming harder to defend, in the boardroom, in the proxy, and eventually in court.

4.2 The Engaged Board Is Now Possible

This is the half of the argument that has gone largely unnoticed, and it's the reason this paper exists. Recall why Board 3.0 stalled: being thickly informed cost more time than a part-time director has, and the information channel ran exclusively through management. AI dissolves both constraints.

Consider what "thickly informed" actually required in 2019: weeks of reading, analyst support, privileged access to operating data, and the synthesis capacity to turn all of it into judgment. In 2019, that meant dedicated staff and private equity economics, a price almost no public board could carry. Now give a competent director a frontier AI model, the board portal, the company's filings and operating reports, transcripts, and the public record of every competitor. The cost of becoming current on a business has fallen from weeks to hours. The cost of staying current has fallen from impossible to routine. Larcker and colleagues, in "The Artificially Intelligent Boardroom," mapped this shift inside the boardroom: AI shrinks the information asymmetry between directors and management, raises the preparation expected of a director, and moves boards from reacting to the pack toward forming their own questions first. What that work left open is the consequence this paper draws out, namely how often the board then needs to meet and how it must operate between meetings. A director can examine a quarter's operating data directly, stress-test management's strategy memo against the competitive record, and arrive at the meeting with independently formed questions rather than reactions to a pack.

Make it concrete with one director's quarter. The old way: a three-hundred-page pack read over a weekend, two analyst notes, and whatever the financial press surfaced. Call it fifteen hours to arrive informed, none of it interactive. The same director with a frontier model and the same materials works differently: the pack is examined rather than read, under an approved security and confidentiality protocol (what changed against last quarter, where the narrative disagrees with the footnotes), the competitors' earnings calls are tested against management's strategy memo, and three follow-up questions are stress-tested before the meeting, in something like four hours. The exact ratio will vary. The structural change won't: preparation flips from consumption to examination, at a fraction of the time cost, and directors in my own board sessions report the same discovery, usually with surprise.

Early evidence confirms directors are beginning to discover this. Research with more than 50 board chairs and committee chairs across Europe, Asia, and North America finds that while most directors treat AI as a personal productivity tool, pioneering boards are starting to use it to prepare for and conduct substantively better board discussions: assisting individual directors, supplying the whole board with better information, and in some cases participating in deliberations.¹⁹ The same research notes most boards still shy away from this. They are leaving the solution to their own structural problem sitting on the table. A sitting director of Amazon, Honeywell, and Philips, the former PepsiCo chief executive Indra Nooyi, named the reluctance directly in *Fortune* in May 2026: "Many board directors don't like to be re-educated. But if they don't re-educate themselves, how do they know if the company is doing right by shareholders?"

Be precise about the claim. AI doesn't replace director judgment; it removes the cost barrier between a part-time director and the information that judgment requires. The fiduciary act, weighing, challenging, deciding, remains irreducibly human, and becomes more valuable as the inputs improve. What changes is the economics. The thinly informed director was never a character flaw. It was a cost structure. The cost structure just broke, and with it goes the last honest excuse for the 48-hour board.

Put the two halves together and the conclusion is hard to escape. For fifty years, the engaged board was desirable but unaffordable, so we settled for the monitoring board. Today the engaged board is possible, and the monitoring board is failing its core function. The era in which a board could discharge its duty in 48 episodic hours is ending. What replaces it isn't more meetings. It's a different operating model.

FIGURE 3

The Engaged Board Is Now Possible

AI makes episodic oversight untenable as it makes engagement affordable.

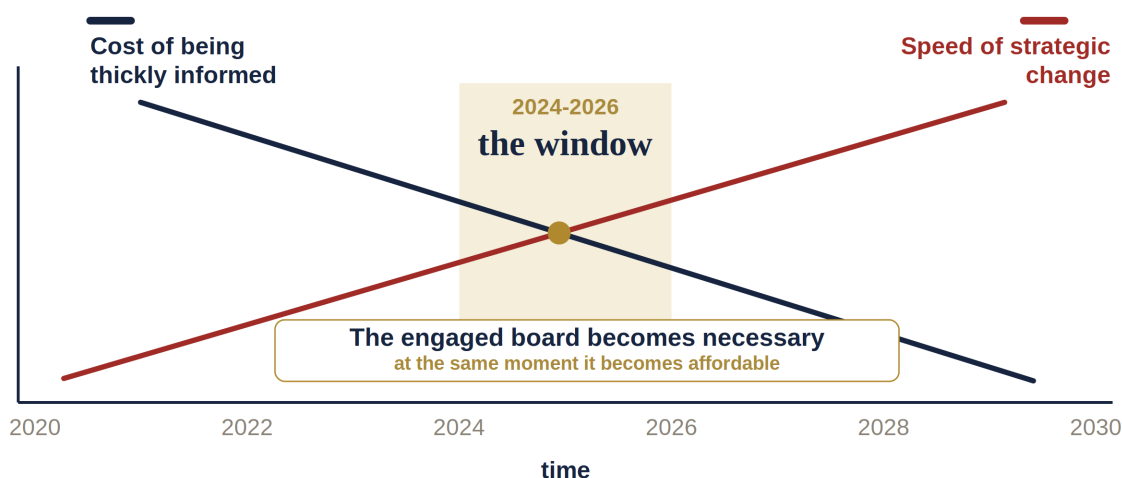


Figure 3: The Engaged Board Is Now Possible. The cost of being a thickly informed director collapses in the same window the speed of strategic change makes episodic attention untenable.

5. The Engaged Board Operating Model

What does the engaged board look like in practice? Not a standing technology committee bolted onto the old calendar, and not directors playing shadow management. The redesign runs through three architectures: cadence, information, and engagement. Together they form the operating model on which the STAR review discipline from the earlier paper actually becomes executable. STAR tells the board what to review. This is the machine that does the reviewing.

5.1 Cadence Architecture

Replace the uniform meeting drumbeat with three distinct rhythms. **Annual:** a strategy deep-dive that sets the AI risk appetite, approves the value thesis for major initiatives, and resets the board's own competence plan. **Quarterly:** the STAR review, a disciplined check of Shareholder Value Thesis, Threat Parity, Ability, and Risk Budget against management's evidence, anchored to the committee structure set

out previously. **Continuous:** a standing director brief, a short, regular synthesis of what changed, decisions taken under delegated authority, escalation triggers tripped or approached, and the two or three external developments that matter, paired with a lightweight directors' channel for asynchronous questions. Not more meetings. A different distribution of attention. The continuous layer is what closes the sampling gap: material developments reach directors in days, and the quarterly meeting upgrades from discovery session to decision session.

5.2 Information Architecture

The engaged board ends the board pack's monopoly. Three changes do most of the work. First, **director information rights:** the board codifies what data directors can access directly, operating dashboards, risk telemetry, model inventories, incident logs, rather than negotiating access meeting by meeting. Second, **AI-assisted preparation as the norm:** directors are equipped, trained, and expected to examine company and competitive information with AI tools, using approved tools, approved data, and approved prompts under a security protocol the board approves, so independent preparation stops being heroic and becomes standard. This is also the responsible answer to a problem that already exists. The status quo is not an AI-free boardroom; it is an ungoverned one. Only about 9 percent of the US public companies ISS reviewed disclosed having a formal AI policy (January 2026 data), while individual directors quietly prepare on whatever consumer model is at hand, sometimes loading sensitive board material into systems no one has vetted. A CEO should prefer governed director AI use, on approved tools and approved data, to the shadow version already happening at kitchen tables. Third, **independent verification:** periodic external assurance over the AI control environment, so the board is not grading management's homework with management's pencil. The objective is information parity sufficient for challenge. Management still runs the company, and execution remains entirely management's. The board stops seeing the company exclusively through management's periscope. The point is not adversarial. As Nora Denzel, lead independent director of AMD and a director of Sony Group and the NACD, puts it: "The engaged board is not about second-guessing management. It is about arriving with independently formed questions. The technology to do that now sits on every director's desk."

5.3 Engagement Architecture

Cadence and information are wasted on a board that keeps its old engagement habits, which is why the third architecture reprises the director role itself. Expect fewer seats held per director and more hours per seat, a shift the market is already signaling as director workloads rise. Adopt the private equity habit of **sprints:** two or three directors going deep on one question for six weeks, a major AI investment, an acquisition's data assets, an incident post-mortem, and reporting back to the full board, which preserves collective accountability while escaping committee-calendar pacing. Pair every major AI initiative with a named board owner. And treat board competence as a managed asset: a living skills matrix, structured AI education, and evaluation that scores directors on engagement quality, not attendance. Compensation committees should take note: if the role demands more, the role must pay for more, or the talent the engaged board requires will not sit. The hardest of these shifts is turnover, and it lands harder in the words of someone who spent a career judging boards. As former Chief Justice Strine has written, an engaged board must face "a mirror test about itself": "Are there gaps in experience and expertise on our board to fill? And to do so while keeping the board at a manageable size, do some of us need to move on?"

This shows up first in the market for directors. As Christoph Wollersheim, who co-leads Egon Zehnder's AI practice in the United States, puts it: "Search used to optimize for judgment and availability. It now optimizes for judgment and engagement. Healthy for boards, demanding for directors."

Table 1 contrasts the two operating models. Appendix A details the full comparison; Appendix B is a one-page action sheet for your next meeting.

Dimension	Episodic Board (2.0)	Engaged Board
Attention	6-8 meetings; ~48 hours/year of collective engagement	Annual deep-dive, quarterly STAR review, continuous brief and channel
Information	Management-assembled pack, weeks old at delivery	Direct information rights, AI-assisted preparation, independent assurance
Engagement	Full-board generalist review; committee calendar pacing	Director sprints, named owners per initiative, competence as managed asset
Output	Approval and minutes	Evidence-based challenge, faster escalation, decisions at the speed of the business

Table 1: Two Operating Models

A word on cost, because chairs will ask. The engaged board model adds director hours and tooling, and reprices some compensation: think tens of incremental director days a year across the board, and tooling measured in thousands of dollars, not millions. Against that, weigh what the episodic model is currently costing in silence: value leakage from unscrutinized strategy, value destruction from risks that compounded between meetings, and a rising litigation and proxy exposure for oversight that cannot demonstrate a working information system. The engaged board is not the expensive option. It is the cheap insurance and the better engine, in one structure.

FIGURE 4

The Engaged Board Operating Model

Three architectures, anchored by the quarterly STAR review.



Figure 4: The Engaged Board Operating Model. Three architectures, anchored by the quarterly STAR review.

5.4 The Pushback, and How Chairs Handle It

Three objections arrive in predictable order. Management resists direct information rights, hearing surveillance when the board means parity. The short answer is that Delaware law (DGCL Section 220(d)) already grants directors essentially unfettered access to corporate information for any purpose reasonably related to the role; management has no lawful basis to stonewall a director, only a customary one. Chairs who succeed scope the rights narrowly at first, read-only dashboards and the incident log, route the change through the corporate secretary as enabler rather than around them, and let the first quarter prove that better-informed directors ask better questions, not more of them. The same chairs put records discipline in on day one: continuous channels and director briefs are discoverable, so retention rules and a clear line between briefing and deliberation are designed in from the start, not retrofitted after the first books-and-records demand, the request for board papers that now opens most shareholder suits.

Counsel worries that deeper engagement blurs the oversight line and invites liability. The legal record points the other way: Caremark liability attaches to the utter failure to implement any reporting system, or to consciously disregarding the red flags one produces. It is a bad-faith standard, not a negligence standard, and it has never punished documented, good-faith oversight. An engaged board with a working information architecture is building its defense, not its exposure, and D&O underwriters are paying closer attention to the quality of board oversight at renewal. The same logic now extends to activism: the board that missed streaming was a proxy-fight slide a decade ago, and the board that missed AI is the next version of that deck. A board can run the play in reverse, standing up an agent that argues the activist's case against their own strategy and pressure-testing it before an activist builds the same deck. A documented, continuous AI oversight architecture is what makes a company a harder target on process; adopters should still expect pressure to add AI-fluent directors, which the competence plan in the engagement architecture anticipates.

Kai Liekefett, who co-chairs the shareholder activism and corporate defense practice at Sidley Austin, puts the defensive logic plainly: "I defend boards for a living. When directors can't show they saw a major shift coming, the activist campaign writes itself. On AI, the engaged board is the best defense there is."

And the role economics resist, because more hours per seat collides with portfolio careers and sticky compensation norms. Directors are right that the role has already swollen; the model is not more of everything, it is reallocation, from low-value consumption to high-value examination and targeted depth. The chairs who get there sequence it: a two-director sprint as the pilot, the continuous brief as the second step, and the role repriced at the next compensation cycle once the value is visible. None of this is friction-free. It's simply cheaper than the alternative, which is discovering the gaps after the fact.

6. The Evidence, Honestly

A thesis this convenient deserves its strongest objections, so here they are.

"Decades of research failed to link board attributes to performance." True, and important. The empirical literature connecting board composition variables, independence, size, structure, to firm performance is largely a record of weak and inconsistent results.²⁰ But look at what that literature measured: who sat on the board and how it was structured, almost never how intensively it engaged. The one setting where engagement intensity differs by design, private equity, is also the setting with the clearest evidence that governance contributes to value: studies of PE portfolio companies attribute a meaningful share of returns to active ownership and board engagement rather than financial engineering alone.²¹ The null results are evidence against composition tinkering, not against engagement. I read them as support for changing the operating model rather than the seating chart.

"Boards that meet more do not perform better." Also true, and also not the claim. Meeting frequency rises after poor performance, so the correlation runs backward.²² The argument isn't more meetings. It's a different information and engagement architecture, in which the scheduled meeting becomes less central, not more frequent.

"More engagement has failure modes of its own." Correct, and the model is designed against them. Deep engagement without private equity's ownership stakes and replacement power can slide into micromanagement, blur the line of accountability the monitoring board exists to draw, and repel the executives boards most need to attract. AI adds hazards of its own: hallucinated analysis, information overload, confidentiality leaks, and a discoverable trail of half-formed director research. These are real, and they are why Section 5 is architecture rather than exhortation: a board-approved protocol for director AI use, a curated brief rather than raw feeds, records discipline from day one, and sprints that report back to the full board instead of freelancing into management's lane. The engaged board changes the information architecture, not the line of authority. Management still runs the company. And note that the CEO complaint cuts both ways: some say their boards add no value, others now grumble that boards push AI transformation harder than the operating reality warrants. Both describe the same defect, a board engaging without being informed. The remedy for uninformed pressure isn't less engagement. It's better information.

"This is Board 3.0 with a coat of paint." I'm glad to stand on those shoulders, and I cite them. The difference is the mechanism. Gilson and Gordon mapped the destination. The fare in 2019 was dedicated staff and private equity economics, and few public boards could pay it. AI changes the price. This paper doesn't propose a new theory of what boards are for. It reports that a forty-year-old constraint binding every prior version of this idea has quietly dissolved, and draws the operating consequences. The destination is theirs and Charan's and many others'. The vehicle is new.

What I claim, precisely: that the binding constraints on director engagement were time and information cost; that AI has collapsed those costs; that the regulatory, legal, and competitive environment is simultaneously raising the penalty for episodic oversight; and that boards adopting the engaged operating model will see it in decision speed, escalation latency, and the quality of challenge, which are measurable, and eventually in outcomes, which I expect but do not yet have the longitudinal data to prove. Better to state the limits of the evidence than oversell it. The boards that move first will generate that data.

7. Questions Directors Should Ask

Conversation starters, not compliance checklists. For each, ask whether your board can answer with evidence today.

On cadence. What materially changed in our AI deployment, risk exposure, and competitive position between our last two meetings, and when did the board learn of it? If something tripped an escalation trigger tomorrow, how many days until the board engages?

On information. What can directors access without asking management? Are directors equipped and expected to use AI in their own preparation, under what protocol? When did anyone outside management last verify that our AI controls work?

On engagement. How many hours did this board collectively spend on our most consequential technology this year, and is that number defensible to a regulator, a plaintiff's lawyer, or an activist? Which director owns our largest AI initiative? Does our evaluation distinguish engagement from attendance?

On the model itself. If we designed this board today, for this company, at this speed, would we design the board we have? What is our plan to close the gap, and who owns it?

8. Conclusion

For twenty years, the engaged, value-creating board has been governance's most agreed-upon and least implemented idea. It stayed unimplemented because it was unaffordable: part-time directors couldn't carry the time and information costs that genuine engagement demands. That constraint has now dissolved, at the precise moment the old model's weaknesses stopped being tolerable. AI made the episodic board untenable and the engaged board affordable, in the same stroke.

This won't be a comfortable transition. It reprices the director role, ends some long-held seats, and asks chairs to redesign an institution that rewards continuity. That is not an abstract ask. Indra Nooyi, a sitting director of Amazon, Honeywell, and Philips, holds herself to the same test: "The day I feel I'm not contributing as a board member, I'll be the first person to step out." The limits of the evidence are real: longitudinal data on engaged-model outcomes doesn't yet exist, and the tooling, protocols, and norms are early. The arithmetic won't wait: you can't govern a continuous system with episodic attention.

The deeper point is the one the earlier paper ended on, now with higher stakes. AI does not diminish the human director. It strips away the excuses that kept directors thin, and leaves judgment, the irreducibly human part, exposed as the thing boards are actually for. Directors who embrace that will matter more to their companies than any board generation before them, and their boards will become what Charan promised and the calendar prevented: a competitive advantage.

A closing word about intent. The fashionable manifesto of this era holds that technology governs best when no one governs it, and that oversight is friction on the future. This paper takes the opposite bet on the same ambition: the engaged board is an acceleration agenda, the institution that lets a company move faster because someone competent is watching the road. Too many chief executives say privately that their boards add no value. They are describing the episodic model, not the directors. The remedy is in these pages, and it asks something of a particular group of people: the chairs, directors, corporate secretaries, and counsel willing to redesign the room they sit in while it is still their choice to do so. The companies have published their manifestos. This one belongs to the boardroom.

STAR gave boards the steering discipline. This is the steering column. Power steering, not a brake.

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Director and Executive Contributions

Quotations contributed directly for this paper are used with permission. Contributors: Nora Denzel (lead independent director, AMD); Christoph Wollersheim (Egon Zehnder); Douglas Chia (founder, Soundboard Governance; former corporate secretary, Johnson & Johnson); Kai Liekefett (co-chair, shareholder activism and corporate defense, Sidley Austin).

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Robert Maciejko is the founder of the Board AI Institute and co-founder of the INSEAD AI community, a global network of more than 3,000 members across 190 countries. He created the STAR framework for board AI governance and advises boards, chairs, and CEOs. He previously built two businesses from zero to market leadership, and is an INSEAD MBA, a Princeton engineering graduate, and an NACD Certified Director.

Appendix A: The Engaged Board Operating Model in Detail

Architecture	Mechanism	What Good Looks Like	Owner
Cadence	Annual strategy deep-dive	AI risk appetite approved; value thesis per major initiative; board competence plan reset	Chair / full board
Cadence	Quarterly STAR review	Evidence-based review of Shareholder Value Thesis, Threat Parity, Ability, Risk Budget; escalation triggers checked	Designated committee
Cadence	Continuous director brief + channel	Material changes reach directors within days; asynchronous Q&A; meeting time shifts to decisions	Corporate secretary / management
Information	Director information rights	Codified direct access: dashboards, model inventory, incident log, risk telemetry	Governance committee
Information	AI-assisted director preparation + independent assurance	Directors trained and equipped under approved security protocol; periodic external review of AI controls	Chair; audit committee
Engagement	Director sprints, named initiative owners, competence as managed asset	2-3 director deep-dives with report-back; living skills matrix; evaluation scores engagement quality; role repriced	Nom/gov + compensation committees

Appendix B: Board Action Sheet

One page to bring to your next meeting.

What the board should decide now

Commission a cadence audit: map what changed between the last two meetings against when the board learned of it.

Approve director information rights: the list of data directors may access directly.

Approve a director AI-use protocol (tools, security, confidentiality) and equip every director.

Name a board owner for each major AI initiative.

What the board should stand up this quarter

The continuous director brief and a lightweight directors' channel.

The first director sprint on the highest-stakes open AI question.

The quarterly STAR review on the committee calendar, with escalation triggers defined.

What the board should revisit annually

Board competence plan and skills matrix against the company's AI trajectory.

Director workload, seat count, and compensation against the engaged-model demands.

Independent assurance over the AI control environment.

The design question: if we built this board today, would we build the board we have?

Appendix C: Ten Assumptions That No Longer Hold

The episodic board rests on assumptions that were true when the model was built. Test your board against each.

- 1. Information must flow through management.** The board pack was a logistics necessity; directors could not process raw company data. A director with AI tooling can now examine the data directly. The periscope is a choice someone keeps making.
- 2. The meeting is where governance happens.** Calendar-based oversight assumed the company changed slower than the meeting cycle. The company now changes faster than the minutes get approved.
- 3. Preparation means reading what you were sent.** Diligence used to be consuming the pack. Real preparation now means examining it.
- 4. A good generalist can govern anything.** True when judgment cycles were annual and domain knowledge could be briefed in. At AI speed, a board with no native fluency cannot formulate the question in time.
- 5. Oversight is retrospective.** Review-and-ratify assumed decisions waited for approval. Agentic systems execute thousands of decisions between meetings; by review time, the risk has compounded.
- 6. The CEO is the board's single source of truth.** The information asymmetry was tolerated because closing it was impossibly expensive. That cost has collapsed. The asymmetry is now voluntary.
- 7. Director time is the scarce resource to economize.** Short meetings, summarized packs, and consent agendas were built to ration attention. AI made attention cheap. Judgment is the scarce resource now, and boards are rationing the wrong thing.
- 8. More seats equals more value.** The multi-board portfolio director made sense when each seat was a reading commitment. If engagement is the job, the over-boarded director is an artifact.
- 9. Risk arrives at quarterly speed.** Committee calendars assume risk matures slowly enough to be caught at the next review. AI risk matures in days. The audit committee meets in May.
- 10. Board excellence is composition.** Thirty years of governance reform optimized who sits in the chairs. Necessary, and insufficient. The binding constraint was never the people. It is the operating model they are trapped in.

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